

Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool

Professional Standards Learning Code 3320,
3350
Length: 45 minutes



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Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool is intended for the School Food Authorities in the state of Arizona. All regulations are specific to operating the National School Lunch Program under the direction of the Arizona Department of Education.

Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool

Intended Audience and Content

- This *How-To-Guide* is intended for Local Educational Agencies (LEAs) operating the National School Lunch Program (NSLP) who sell and/or serve nonprogram foods.
- The following slides provide guidance on how to properly complete the Nonprogram Food Revenue Tool.
- Attendees are expected to already have a system in place to separate nonprogram and program food costs and revenues.

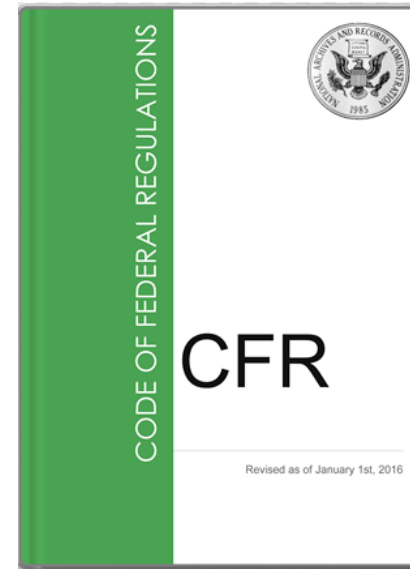
Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool

Objectives

At the end of this training, attendees should be able to:

- identify the difference between program and nonprogram foods;
- understand the requirements for revenue from nonprogram food;
- establish their own reference period;
- complete the four required steps in the *Nonprogram Food Revenue Tool*; and
- correct discrepancies that may occur in the results of the *Nonprogram Food Revenue Tool*.

Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool

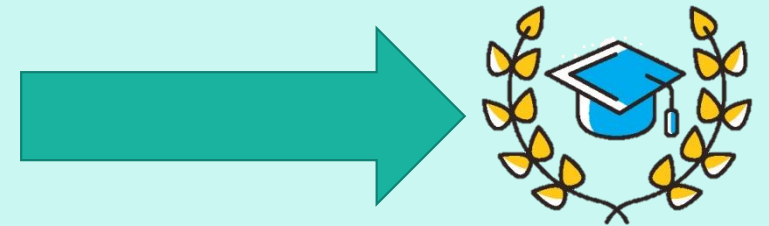


The instruction within this *How-To-Guide* is based on guidance from the Code of Federal Regulations (CFR), §210.14 Resource Management.

It is recommended to review these regulations in addition to reviewing this course for complete guidance on the revenue from nonprogram food requirements.

Comprehension Check

- Throughout this guide there will be comprehension quiz questions to test your knowledge and help you apply what you're learning.
- Be sure to review these quiz questions and the answers, available within the guide.
- This icon will indicate a comprehension quiz question, and the background of the slides will be a light seafoam like you see on this slide.



Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool

Definitions

Nonprofit School Food Service Account (NSFSA): the restricted account in which the revenue from all food service operations conducted by the SFA, principally for the benefit of school children, is retained and used only for the operation or improvement of the nonprofit school food service. This account shall include, as appropriate, non-Federal funds used to support paid lunches as provided in §210.14(e) and proceeds from nonprogram foods as provided in §210.14(f).

Cost of Nonprogram Food: refers to the amount paid for food that is not part of the reimbursable meal and is purchased using funds from the nonprofit school food service account. This is a broad definition and includes beverages, a la carte foods, and any extra reimbursable foods that are sold, such as an extra slice of pizza or carton of milk.

Cost of Reimbursable Meal Food: refers to the amount paid for food purchases for the purpose of being included in reimbursable meals.

Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool

Definitions

Total Food Cost: refers to the total amount paid for food for both reimbursable meals and nonprogram food purchased with funds from the nonprofit school food service account.

Total Nonprogram Food Revenue: refers to all funds accumulated to the nonprofit school food service account associated with the sale of nonprogram foods.

Total Revenue: refers to all funds accumulated to the nonprofit school food service account.

School Food Authority (SFA): The governing body which is responsible for the administration of one or more schools and has the legal authority to operate Child Nutrition Programs (CNP). The SFA is responsible for maintaining the nonprofit school food service account and observing the requirements for and limitations on the use of nonprofit school food service revenues set forth in §210.14.

Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool

The Step by Step Instruction will review:

Introduction to Nonprogram Foods	Slides 9 – 12
The Nonprogram Food Revenue Tool	Slides 13 – 20
Step 1. Determine the Reference Period	Slides 21 – 24
Step 2. Identifying Nonprogram Foods	Slides 25 – 30
Step 3. Determining Nonprogram Food Costs	Slides 31 – 45
Step 4. Interpreting the Results	Slides 46 - 56

*The following slides will only cover how-to instructions for completing the Nonprogram Food Revenue Tool. **Please refer to §210.14 Resource management for NSFSA requirements.***

Introduction to Nonprogram Foods

Introduction to Nonprogram Foods

Purchasing Nonprogram Foods

Many schools who participate in the National School Lunch Program (NSLP) sell other foods outside of the reimbursable meal. Foods (and beverages) that are sold in schools operating NSLP that are not included in the reimbursable meal and are purchased with funds from the NSFSA are called **nonprogram foods**.

- Any foods included in the reimbursable meal are considered program foods.

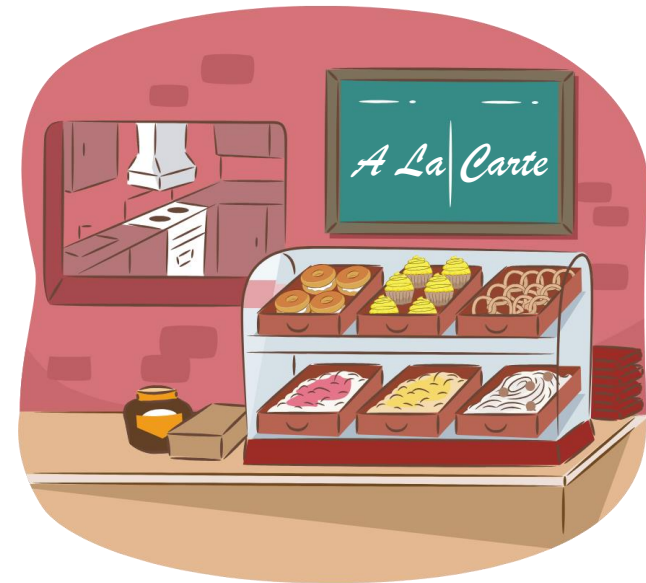
School food service departments sell nonprogram foods to offer more options throughout the school day to students and adults. Selling nonprogram foods is also a tool used to increase revenue, especially in high schools and junior high schools; however, nonprogram foods can be sold to all grade levels.

Introduction to Nonprogram Foods

Identifying Nonprogram Foods

Nonprogram foods are any non-reimbursable foods or beverages purchased using funds from the NSFSA. Examples of nonprogram foods are:

- A la carte
- Extra milk
- Adult meals
- Vending machines
- School stores
- Fundraisers
- Catering
- Vended meals



Introduction to Nonprogram Foods

Nonprogram Foods Requirements

There are a few requirements for SFAs to measure compliance when handling nonprogram foods. When selling nonprogram foods, SFAs must ensure that:

- all revenue from the sale of nonprogram foods accrues to the NSFSA; and
- revenue available to support the production of reimbursable meals does not subsidize the sale of nonprogram foods.

For more information on these requirements, please click [here](#) for USDA's memo, SP 20-2016: Nonprofit School Food Service Account Nonprogram Food Revenue Requirements.

The Nonprogram Food Revenue Tool

The Nonprogram Food Revenue Tool

Determining Compliance

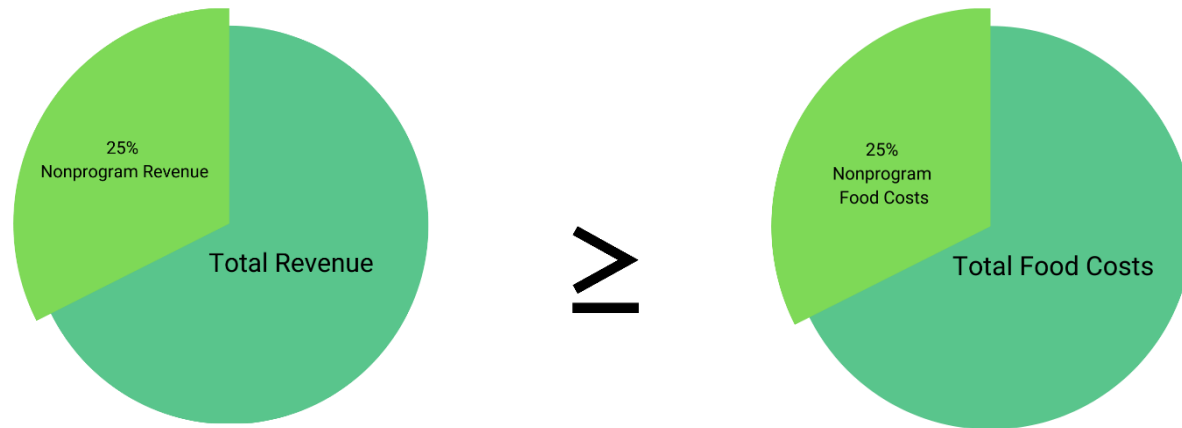
SFAs are required to determine if the percent of total revenue that is generated from nonprogram food sales is equal to or greater than the percent of total food costs that are attributable to the SFA's purchase of nonprogram foods.

To assist SFAs in determining compliance with nonprogram food revenue requirements, USDA has created the *Nonprogram Food Revenue Tool*.

Nonprogram Food Revenue Tool

The Nonprogram Food Revenue Tool

Example of Determining Compliance



If the **cost** of nonprogram foods is 25% of the SFAs total food costs, then the amount of **revenue** generated from the sale of these nonprogram foods must be at least 25% of the total revenue in the NSFSA to be compliant with the nonprogram foods requirements.

The Nonprogram Food Revenue Tool

Assessing Compliance with Nonprogram Foods

Using the *Nonprogram Food Revenue Tool* is the most simplified approach for SFAs to assess compliance with nonprogram foods. All SFAs who sell nonprogram foods are required to assess compliance **annually**. To complete the *Nonprogram Food Revenue Tool*, SFAs must collect the cost of both program and nonprogram foods and the total revenue from the previous school year (SY).

- For example, to be in compliance at the start of SY 19-20, the *Nonprogram Food Revenue Tool* must be completed for all transactions from SY 18-19.
- The tool is not required to be submitted to ADE unless requested at the time of the Administrative Review but is required to be kept on file for a minimum of **five years**.

The Nonprogram Food Revenue Tool

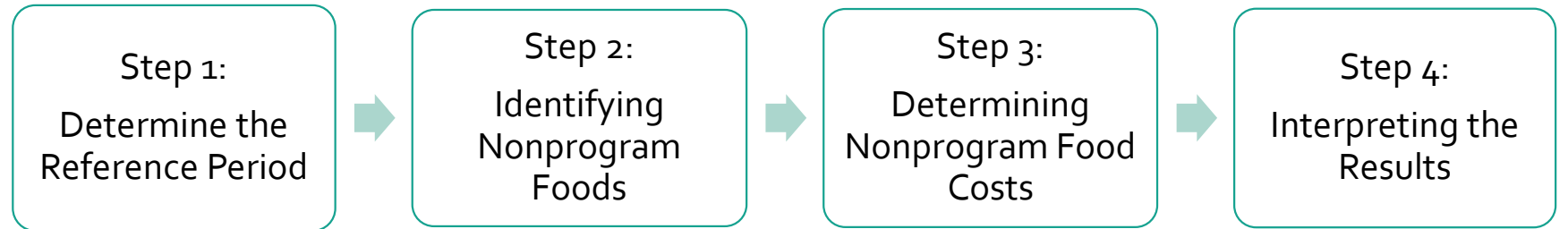
Completing the Nonprogram Food Revenue Tool

The remainder of this training will provide you with instruction on how to locate and properly complete the *Nonprogram Food Revenue Tool*.

- The *Nonprogram Food Revenue Tool* is found on ADE's [Resource Management webpage](#) under the Revenue from Nonprogram Foods section.
- To best understand how to complete the *Nonprogram Food Revenue Tool*, it is recommended to have the tool displayed on your desktop while reviewing the following slides.

The Nonprogram Food Revenue Tool

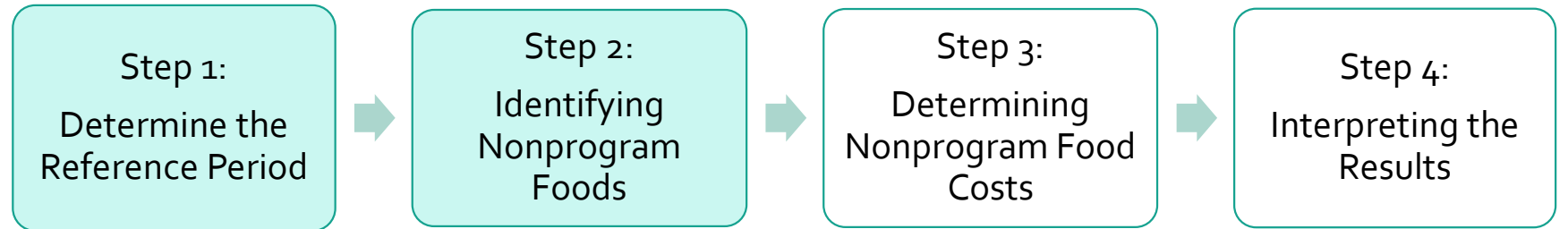
Steps of the Nonprogram Food Revenue Tool



There are four steps when completing the *Nonprogram Food Revenue Tool*. Once completed, the tool will calculate the minimum amount of revenue from nonprogram foods required to meet the nonprogram foods requirement. The tool will calculate any additional revenue needed to comply.

The Nonprogram Food Revenue Tool

Steps of the Nonprogram Food Revenue Tool



Step 1: Determine the Reference Period

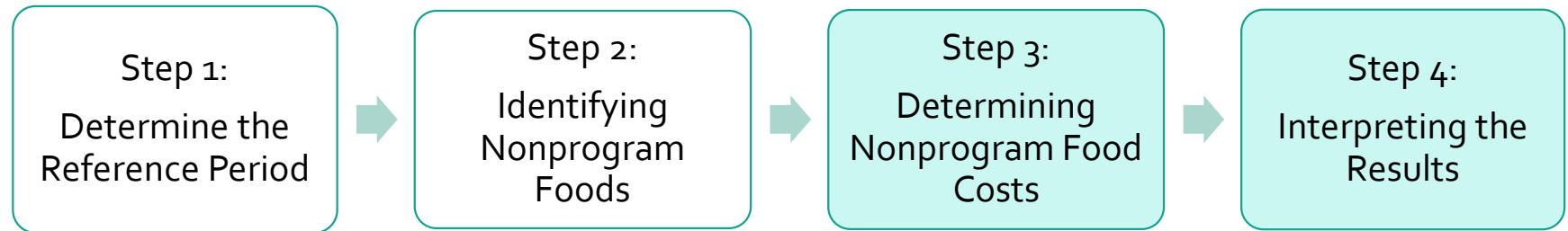
- SFAs need to establish an appropriate reference period to be shown on the *Nonprogram Food Revenue Tool*.

Step 2: Identify Nonprogram Foods

- SFAs must identify nonprogram foods sold during the reference period.

The Nonprogram Food Revenue Tool

Steps of the Nonprogram Food Revenue Tool



Step 3: Determine Nonprogram Food Costs

- SFAs will need to determine the cost of any nonprogram foods that are sold during the reference period.

Step 4: Interpret the Results

- SFAs can now compare their nonprogram food revenue to the minimum revenue required from the sale of nonprogram foods to determine if they are in compliance with this requirement.

Step 1. Determine the Reference Period

Step 1. Determine the Reference Period

Reference Period

An appropriate reference period is required to be established as Step 1 of completing the *Nonprogram Food Revenue Tool*. The reference period may be a school week, a month or year. It is important to note that the reference period must include at least five consecutive operating days.

- If the SFA operated less than five days a week, they are only required to include the number of consecutive operating days that they operate within one typical week.

Step 1. Determine the Reference Period

Choosing Your Reference Period

The most important determining factor when choosing the reference period is that the selected days must represent typical food service operations. For this reason, SFAs are responsible for choosing their own reference period to best fit their individual operation. Assessments must not include data from summer school, holidays, vacations or special circumstances that may distort the program and nonprogram foods data.

- For example, if the school food service department is only going to choose a reference period of five consecutive operating days, then it is important to select a typical week that does not include a special circumstance such as catering events that do not usually occur.

Step 1. Determine the Reference Period

Beginning the Tool

The fillable fields in the tool should be completed with the figures from the SFA's chosen reference period. These fields are based on the reference period that the SFA has chosen for their own individual tool.

To best outline the correct way to complete the tool, an example will be shown in the following slides. In this example, Elementary School A will use the month of October 2018 for the reference period.

- USDA has **recommended** that longer references periods should be chosen such as monthly, quarterly or yearly to capture a true picture of the program and nonprogram foods data.

Nonprogram Revenue Calculator
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue
Cost for Reimbursable Meal Food
Cost of Nonprogram Food
Total Food Costs
Total Nonprogram Food Revenue
Total Revenue
Minimum portion of revenue from nonprogram funds
Minimum Revenue Required from the Sale of Nonprogram Foods
Additional Revenue Needed to Comply

Step 2. Identifying Nonprogram Foods

Step 2. Identifying Nonprogram Foods

Assessing Revenue from Nonprogram Food Sales

Now that we have chosen our reference period, the next step is to identify the nonprogram foods that were sold during that timeframe.

- For our example, Elementary School A will be assessing all revenue that was generated in the month of October from nonprogram food sales.



Step 2. *Identifying Nonprogram Foods*

Identifying Nonprogram Foods

For our example, we are going to evaluate all nonprogram foods to include on our *Nonprogram Food Revenue Tool*. During Elementary School A's reference period of October they sold a la carte items, extra milks and adult lunches.

- During Step 2, the SFA is identifying all nonprogram foods served during the reference period; costs have not been yet evaluated.

*Step 2.
Identifying
Nonprogram
Foods*

Including Catered and Vended Meals

Costs and revenues for catering, vended meals, or purchasing for other entities that occurred during the reference period are not required but can be included if this helps simplify the assessment for the SFA.

SFAs who choose to include these costs and revenues in their assessment must include both the food costs of providing these services and the revenues generated in the calculations for the selected reference period.

If the revenues from these activities are not included in the calculation of the total revenue and cost ratios, SFAs must be able to provide proper documentation. This documentation includes purchase agreements, invoices, the agreement with the entity and information demonstrating the recovery of the full costs.

Comprehension Check

True or False: Elementary School Z caters breakfast and lunch for the local charter school down the street. When completing the *Nonprogram Food Revenue Tool*, Elementary School Z is required to include the costs and revenues for the catered meals.

- A) True
- B) False



Comprehension Check

True or False: Elementary School Z caters breakfast and lunch for the local charter school down the street. When completing the *Nonprogram Food Revenue Tool*, Elementary School Z is required to include the costs and revenues for the catered meals.

- A) True
- B) False**

It is not required to include the costs and revenues for catered and vended meals or purchases for other entities that occurred during the reference period. SFAs can include these costs if this helps simplify the assessment, but it is not required for compliance with the nonprogram food revenue requirement.



Step 3. Determining Nonprogram Food Costs

Step 3. Determining Nonprogram Food Costs

Identifying the Cost

In Step 2, Elementary School A identified all nonprogram foods that were sold in October. They included: a la carte items, extra milks and adult lunches.

Now in Step 3, we are determining the cost of all those nonprogram foods that were identified and sold during the reference period.

- Examples on how to determine each nonprogram foods individual cost will be shown in the next few slides, excluding adult meals. For more information on adult meals, go to ADE's [Step by Step Instruction: How to Determine Adult Meal Prices Using the Adult Meal Pricing Tool](#) or refer to the previous guidance listed on Slide 4.

Step 3. Determining Nonprogram Food Costs

Determining Each Nonprogram Foods' Individual Cost

To determine the cost for all nonprogram foods sold during the reference period, the SFA will first need to determine the food cost for **each** nonprogram food sold. To do this, Elementary School A will take each nonprogram food item's per serving cost and multiply the cost by the number of items sold.

- For example, Elementary School A sold 300 extra milks. Each milk cost \$0.25; therefore, 300 multiplied by \$0.25 is \$75.00. Based on this calculation, the nonprogram food cost for the extra milks sold during October was \$75.00.
- Please note that this is what the milks (or other nonprogram foods) cost to **purchase**, not the cost that they are sold for to students or adults.

This calculation will need to be completed by the SFA for all nonprogram food items sold during the reference period. For Elementary School A, that is a la carte items, extra milks and adult meals.

Step 3. Determining Nonprogram Food Costs

Adding the Costs

Elementary School A has taken the time to evaluate each individual item's cost and has found the results shown below:

- A la carte items = **\$1,075.00**
 - Chicken sandwich (500 purchased at a cost of \$1.50 each) = \$750.00
 - Fruit and yogurt parfait (100 purchased at a cost of \$2.00 each) = \$200.00
 - Baked chips (250 purchased at a cost of \$0.50 each) = \$125.00
 - $\$750.00 + \$200.00 + \$125.00 = \$1,075.00$
- Extra milks (300 purchased at a cost of \$0.25) = **\$75.00**
- Adult lunches (1,000 purchased at a cost of \$3.50 each) = **\$3,500.00**
- $\$1,075.00 + \$75.00 + \$3,500.00 = \mathbf{\$4,650.00 \text{ total}}$

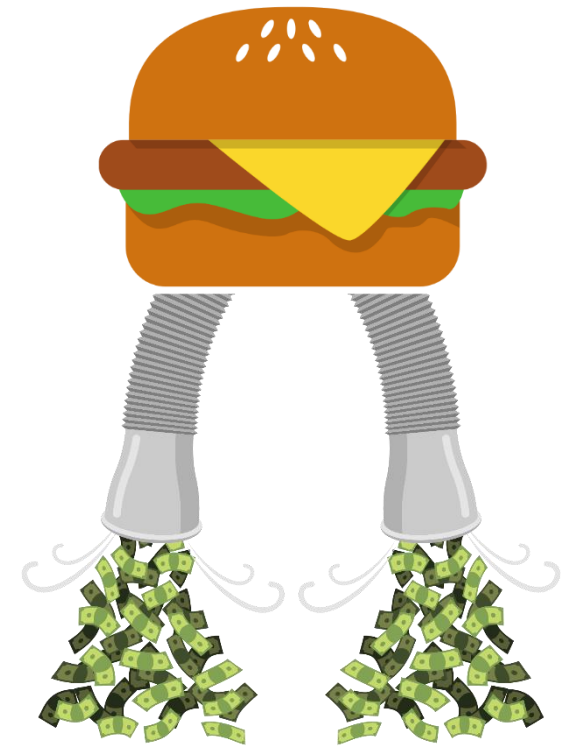
Elementary School A has added each individual nonprogram food cost together and found that the total cost for nonprogram foods sold in October was \$4,650.00.

Step 3. Determining Nonprogram Food Costs

Crossover Items

If an SFA sells the same food item as both a program and nonprogram food, it is considered as a **crossover item**.

For example, if Elementary School A sells a chicken sandwich as part of the reimbursable meal (program food) on Tuesdays and Thursdays and sells the chicken sandwich Monday through Friday as an a la carte item (nonprogram food), it is important that these food costs are differentiated between program and nonprogram food revenues by the SFA to properly complete the *Nonprogram Food Revenue Tool*.



Step 3. Determining Nonprogram Food Costs

Beginning the Tool

Before moving on to Step 4, Elementary School A will begin inputting their figures into the *Nonprogram Food Revenue Tool*. The first figure on the tool is Cost for Reimbursable Meal Food, or the amount paid for food purchased to be a part of a reimbursable meal.


- It is important to note that capturing nonprogram and program food costs and revenues can differ with each SFA depending on their food service program and financial tracking tools. However, each SFA must identify all program and nonprogram food costs and revenues during the reference period for the purpose of completing the *Nonprogram Food Revenue Tool*.

Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
<u>Cost for Reimbursable Meal Food</u>	\$	

Step 3. Determining Nonprogram Food Costs

Cost for Reimbursable Meal Food

Elementary School A was able to identify the reimbursable meal cost for October by reviewing all expenditures for food and subtracting out any food costs attributed to nonprogram foods. They have found that their Cost for Reimbursable Meal Food was \$15,350.00 as entered below:




Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
<u>Cost for Reimbursable Meal Food</u>	\$ 15,350	

- It is recommended that SFAs have their own financial management system that tracks and separates the costs of program and nonprogram foods. This can be accomplished by placing separate orders for program and nonprogram food, or by establishing different coding mechanisms to separate these costs once invoices have been received.

Step 3. Determining Nonprogram Food Costs

Cost for Nonprogram Food

The next figure on the tool is Cost for Nonprogram Food. Elementary School A has already found this figure by calculating it at the beginning of Step 3. To review how this figure was calculated, refer to Slide 32. Their Cost for Nonprogram Food for October was \$4,650.00 as entered below:



Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food	\$ 15,350	
Cost of Nonprogram Food	\$ 4,650	

Step 3. Determining Nonprogram Food Costs

Total Food Costs

Once the user has entered the Cost for Reimbursable Meal Food and the Cost of Nonprogram Food, the Total Food Costs will auto-fill and the tool will do the math for you by adding both figures together. Elementary School A's Total Food Costs of \$20,000 as shown below:



Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food	\$ 15,350	
Cost of Nonprogram Food	\$ 4,650	
Total Food Costs	\$ 20,000	

Step 3. Determining Nonprogram Food Costs

Determining the Nonprogram Food Revenue

Prior to moving forward with the tool, the SFA must determine the **nonprogram food revenue**, or all funds accumulated to the NSFSA associated with the sale of nonprogram foods.

To find the revenue for each nonprogram food item sold during the reference period, the SFA must take the total number of items sold multiplied by that individual item's purchase price set by the SFA.

- For example, Elementary School A sold 300 extra milks. Each milk is priced at \$0.50; therefore, 300 multiplied by \$0.50 is \$150.00. Based on this calculation, the nonprogram food revenue from the sale of the extra milks during October was \$150.00.

Step 3. Determining Nonprogram Food Costs

Adding the Revenue

Elementary School A has taken the time to evaluate each individual item's revenue and has found the results shown below:


- A la carte items = **\$2,100.00**
 - Chicken sandwich (500 sold at \$3.00 each) = \$1,500.00
 - Fruit and yogurt parfait (100 sold at \$3.50 each) = \$350.00
 - Baked chips (250 sold at \$1.00 each) = \$250.00
 - $\$1,500.00 + \$350.00 + \$250.00 = \$2,100.00$
- Extra milks (300 sold at \$0.50 each) = **\$150.00**
- Adult lunches (1,000 sold at \$3.75 each) = **\$3,750.00**
- $\$2,100.00 + \$150.00 + \$3,750.00 = \mathbf{\$6,000.00 \text{ total}}$

Elementary School A has added each individual nonprogram food revenue together and found that the total revenue for nonprogram foods in October was \$6,000.00.

Step 3. Determining Nonprogram Food Costs

Total Nonprogram Food Revenue

The next figure on the tool is Total Nonprogram Food Revenue. Elementary School A found this figure by calculating the revenue in the example on the previous slide. Their Total Nonprogram Food Revenue for October was \$6,000.00 as entered below:



Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food	\$	15,350
Cost of Nonprogram Food	\$	4,650
Total Food Costs	\$	20,000
Total Nonprogram Food Revenue	\$	6,000

Step 3. Determining Nonprogram Food Costs

Total Revenue

Elementary School A must now determine their **total revenue**, or all funds accumulated to the NSFSA. This includes, but is not limited to, all reimbursement funds, all student meal sales and all nonprogram food revenues. Their Total Revenue for October was \$25,000.00 as entered below:

Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food	\$ 15,350	
Cost of Nonprogram Food	\$ 4,650	
Total Food Costs	\$ 20,000	
Total Nonprogram Food Revenue	\$ 6,000	
Total Revenue	\$ 25,000	



Comprehension Check

When determining an SFA's total revenue, what must be included?

- A) Reimbursement funds and all student meal sales
- B) Nonprogram food revenue
- C) Program food revenue
- D) All funds accumulated to the NSFSA



Comprehension Check

When determining an SFA's total revenue, what must be included?

- A) Reimbursement funds and all student meal sales
- B) Nonprogram food revenue
- C) Program food revenue
- D) All funds accumulated to the NSFSA**

The total revenue must include all funds that have accumulated to the NSFSA. This includes all answers above; however, it is important to ensure that all funds which have been added to the NSFSA are included in this figure. All SFAs operate differently and must evaluate their own revenues.





Step 4. Interpreting the Results

Step 4. *Interpreting the Results*

Ensuring Compliance in the Results

While interpreting the results of the *Nonprogram Food Revenue Tool* in Step 4, the SFA must ensure that the nonprogram food revenue that is available supports the production of reimbursable meals and does not subsidize the sale of nonprogram foods.

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Minimum Portions

Step 4. Interpreting the Results

Minimum Portions

Based on the amount the SFA has entered into the tool, the tool will calculate the minimum portion of revenue required from nonprogram funds.

Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food	\$ 15,350	
Cost of Nonprogram Food	\$ 4,650	
Total Food Costs	\$ 20,000	
Total Nonprogram Food Revenue	\$ 6,000	
Total Revenue	\$ 25,000	
Minimum portion of revenue from nonprogram funds	23%	



Step 4. Interpreting the Results

The Percent of Minimum Portions

The Minimum Portion of Revenue from Nonprogram Funds is the minimum percentage of nonprogram revenue to total revenue needed for compliance. The percentage is calculated by dividing the cost of nonprogram food by the total food cost.

- For example, Elementary School A had Costs of Nonprogram Food of \$4,650.00 and Total Food Costs of \$20,000; therefore, they would divide \$4,650.00 by \$20,000.00 to get the Minimum Portion of Revenue from Nonprogram Funds Percentage of 0.2325 or 23.25%.

Step 4. Interpreting the Results

Minimum Revenue Required from Nonprogram Foods

The Minimum Revenue Required from the Sale of Nonprogram Foods is the minimum amount of nonprogram revenue needed for compliance. This amount is calculated by taking the Total Revenue and multiplying it by the Minimum Portion of Revenue From Nonprogram Funds Percentage.

- For example, Elementary School A had a Minimum Portion of Revenue from Nonprogram Funds Percentage of 23.25% and Total Revenue of \$25,000.00. Therefore, \$25,000.00 multiplied by 23.25% would give them Minimum Revenue Required from the Sale of Nonprogram Foods of \$5,813.00.

Step 4. Interpreting the Results

Minimum Revenue

The next figure on the tool as shown in the example on the previous slide is Minimum Revenue Required from the Sale of Nonprogram Foods. Elementary School A's Minimum Revenue Required from the Sale of Nonprogram Foods for October was \$5,813.00 as entered below:

Nonprogram Revenue Calculator		
Enter the cost for reimbursable meal, cost of nonprogram food and total revenue		
Cost for Reimbursable Meal Food	\$	15,350
Cost of Nonprogram Food	\$	4,650
Total Food Costs	\$	20,000
Total Nonprogram Food Revenue	\$	6,000
Total Revenue	\$	25,000
Minimum portion of revenue from nonprogram funds		23%
Minimum Revenue Required from the Sale of Nonprogram Foods	\$	5,813



Step 4. Interpreting the Results

Minimum Revenue Less Than Total Revenue

If the Minimum Revenue Required from the Sale of Nonprogram Foods is **equal to or less than** the Total Nonprogram Food Revenue, the SFA is compliant with revenue from nonprogram food requirements.

- For example, Elementary School A had Minimum Revenue Required from the Sale of Nonprogram Foods of \$5,813.00, and Total Nonprogram Revenue of \$6,000.00; therefore Elementary School A was in compliance with revenue from nonprogram food requirements.

Minimum Revenue Required from the Sale of Nonprogram Foods	\$	5,813
Total Nonprogram Food Revenue	\$	6,000

Minimum Revenue More
Than Total Revenue

Step 4. Interpreting the Results

Minimum Revenue More Than Total Revenue

If the Minimum Revenue Required from the Sale of Nonprogram Foods is **greater than** the Total Nonprogram Food Revenue, the SFA is not compliant with revenue from nonprogram food requirements.

- For example, Elementary School B had Minimum Revenue Required from the Sale of Nonprogram Foods of \$6,975.00 and Total Nonprogram Revenue of \$5,000.00; therefore Elementary School B was not in compliance with the revenue from nonprogram food requirements.


<u>Total Nonprogram Food Revenue</u>	\$ 5,000	
<u>Total Revenue</u>	\$ 30,000	
Minimum portion of revenue from nonprogram funds	23%	
Minimum Revenue Required from the Sale of Nonprogram Foods	\$ 6,975	
Additional Revenue Needed to Comply	\$ 1,975	

Step 4. Interpreting the Results

Correcting Noncompliance

If the Minimum Revenue Required from the Sale of Nonprogram Foods is greater than the Total Nonprogram Food Revenue, the SFA will need to either:

- add non-Federal funds to the NSFSA; or
- revise its nonprogram food pricing structure to increase the Total Nonprogram Food Revenue.



Example:
Elementary School B

Step 4. Interpreting the Results

Example: Elementary School B

When the Minimum Revenue Required from the Sale of Nonprogram Foods is greater than the Total Nonprogram Food Revenue, the SFA is required to ensure compliance with the revenue from the nonprogram food requirement. Please refer to the example below to understand how to correct noncompliance:

- For example, Elementary School B had Minimum Revenue Required from the Sale of Nonprogram Foods of \$6,975.00 and Total Nonprogram Food Revenue of \$5,000.00; therefore Elementary School B will need to either add \$1,975.00 in non-Federal funds to its NSFSA, or revise its nonprogram pricing structure to generate an additional \$1,975.00 in order to meet revenue from nonprogram food requirements.

Step 4. Interpreting the Results

Documentation for Nonprogram Revenue

The *Nonprogram Food Revenue Tool* is not required to be submitted to ADE unless requested at the time of the Administrative Review. However, it is important to keep all completed tools on file for a minimum of **five years**.

If the tool shows that the SFA is not in compliance with the revenue from nonprogram foods requirements at the time of review and non-Federal funds have not been added to the NSFSA, the SFA will be required to revise its nonprogram pricing structure and recomplete the tool to show compliance.

Technical Assistance

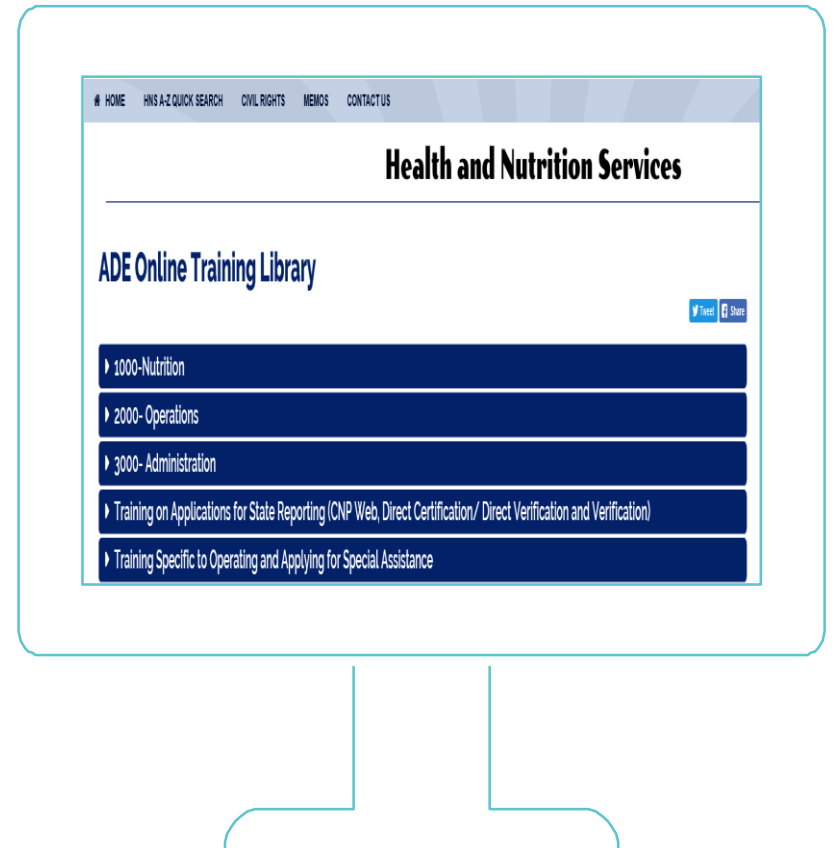
If you have any questions about the Nonprogram Food Revenue Tool, contact your School Nutrition Programs Specialist.

End of Training

ADE Online Training Library

Online trainings are easy to use and available year round. Directors and staff are encouraged to complete these trainings as a way to review previously learned subjects, or as an introduction to a regulation. Most guides are also available in Spanish.

Please take some time to browse through the [ADE Online Training Library](#) to review additional resources.



End of Training

Congratulations!

You have completed the ***Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool***.

In order to count this training towards your Professional Standards training hours, the training content must align with your job duties.

- Information to include when documenting this training for Professional Standards:
 - Training Title: ***Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool***
 - Learning Code: 3320, 3350
 - Key Area: 3000- Administration
 - Length: 45 minutes
- *Please note, attendees must document the amount of training hours indicated on the training despite the amount of time it takes to complete it.*

**Request a
Certificate**

End of Training

Requesting a Training Certificate

Please click on the link below to complete a brief survey about this training. Once the survey is complete, you will be able to print your certificate of completion from Survey Monkey. *This will not appear in your Event Management System (EMS) Account.*

<https://www.surveymonkey.com/r/OnlineHowToGuides>

The information below is for your reference when completing the survey.

Training Title: ***Step by Step Instruction: How to Complete the Nonprogram Food Revenue Tool***

Professional Standards Learning Code: ***3320, 3350***

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